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Defense Distribution Center
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DDC Commercial Activities Newsletter

This is YOUR Newsletter

Robyn Snyder

**Information is only good as long as
it's utilized.**

We in the Commercial Activities Program Office do our best to get updated information out to the employees of DDC as quickly as possible. We work to ensure widest distribution of the DDC Newsletter. Reviews are performed on all articles to ensure accuracy prior to printing and distribution.

Effective communication is the most important component of any job. Only half of the job of communication is in presentation...the other half is in receiving that communication.

Here is the part where we could use your help. If you see this newsletter, please pass it on. We really want the information to get out to as many people as possible. If you read this newsletter and don't understand the article you read, please feel free to ask questions. We have a hotline that anyone can call with any A-76 questions.

Finally, we'd like to thank those people who have already provided their comments and questions. This input helps us to understand the needs of the DDC workforce.

POAMs - What Are They and Why do They Change?

Rose Snavelly

A POAM, or Plan of Action and Milestones, is a schedule of planned activities necessary to complete a process. In this case, the process is the Commercial Activities or A-76 study. The POAM is developed in accordance with DLA requirements and Circular A-76 regulatory guidance.

In our last newsletter, we addressed the subject of why timelines keep changing. We explained how events associated with the conduct of the studies and procurement cycles affect the timelines.

As many of you may be aware, the current six A-76 studies have incurred numerous delays. The Defense Distribution Center is currently working with the DSCC Contracting Officer and DLA J-3 A-76 Program Office to finalize the schedule for the remainder of the studies. The first three studies were to be pilot studies, in which the DDC was to learn what worked and what didn't. The major reason for the delay was so the DDC could analyze those

QUESTIONS???

***Call the A-76 hotline
at
1-877-333-1946***

studies and incorporate lessons learned in the current six schedules. That meant delaying the remaining four depots' RFP (Request For Proposal) releases and extending the closing date for DDJF and DDCN so we had ample time to learn from the evaluation, appeal and transition processes. In addition to the lessons learned, the DDC needed to resolve issues pertaining to the Joint Inventory for Mission Stock, major Revision of the Transition Plan Requirements, clarification to the ADP/IT requirements and several unresolved DLA policy issues which affect the preparation of the cost comparison form.

Some of the lessons learned that affected the timeline of the studies were the need to eliminate concurrent Internal Review Officer (IRO) reviews and appeals and the need to reduce the overlap of transition periods. We currently have two transitions occurring, DDBC and DDWG. The new schedule reduces the impact to the transition period in terms of management, training and additional manpower resources required to augment the transition. We are proposing to manage the concurrent IRO reviews, appeals and transition period by releasing one RFP every three months. We have also adjusted the timeline to accommodate adequate time to perform the evaluation of proposals and extended the timeline for technical leveling.

The rationale and proposed changes in the individual POAMs have been forwarded to higher headquarters for review and approval. As soon as we have a decision, the new POAMs will be updated and provided.

What is Right of First Refusal and What Does it Mean to YOU???

In conducting an A-76 study, the Government issues a document called "Request For Proposal." This document includes the Performance Work Statement (PWS), the terms and conditions that will create any resultant contract, and the instructions to potential offerors for submission of their proposal to compete for the work under study. One clause that is included in the terms and conditions is the "**Right of First Refusal**" (ROFR) clause.

This clause requires offerors to "give Government employees who have been or will be adversely affected or separated as a result of award of this contract the right of first refusal for employment openings under the contract in positions for which they are qualified, if that employment is consistent with post-Government employment conflict of interest standards."

So, what does this mean to you? In the event that the A-76 study results in the award of a contract to a commercial offeror, you will be afforded the opportunity to apply for a position with that offeror. But, as this clause states, the contractor only has to provide you this opportunity for jobs that you are *qualified for*.

Multi-skilled – that is the name of the game of employment for the new millennium. A-76 has resulted in processes being reviewed, consolidated, revamped, etc. You name it, it is being tried, by both the private offerors, as well as the Government Most Efficient Organization (MEO). These new processes and procedures will require individuals that are multi-skilled. Employees will be expected to be

able to work in all facets of warehousing and distribution. The more skills you have, the more qualified you will be, and that means more positions will be available to you through ROFR.

Therefore, take advantage of all the training that is available to you. Make sure that you stay current on the training required for any special certifications that you possess such as Hazardous Material Handling, Hazardous Waste, Forklift Operator, etc. In order to be competitive for jobs that will exist as a result the study, you will need to be multi-skilled. Look for training that will make you more versatile. If you haven't used DSS, seek on-the-job training from a co-worker. Do you know how to use a personal computer? There are several courses that are available that can teach the basics of navigating through common software applications or sharpen the skills that you may already have. Have you had POP (Performance Oriented Packaging) training? Do you know how to operate all of the computer systems that are used in the day to day operations of your depot? These are all areas that you should be focusing on during the A-76 studies to make yourself more marketable and successful.

Regardless of the outcome of the current A-76 studies, anything that you can do to make your self more "well-rounded" will benefit your future. Training and certification investments that you make today will result in increased career growth and opportunities in the future. And remember, through all of this, it is important to keep your personnel file updated to reflect all training acquired and new skills that you develop.

See more about this subject under "Hotline Calls"

TRANSITION UPDATE

With the transitions of DDWG and DDBC in full swing we thought you would like an update on what the impact has been on the employees.

DDWG: At the time of the announced tentative decision, February 4, 2000, there were 481 employees on board. Since then the following has occurred:

Number of employees accepting VERA/VSIP: 158

Number of employees accepting positions under PPP: 129

Applicants to EG&G under Right of First Refusal: 184

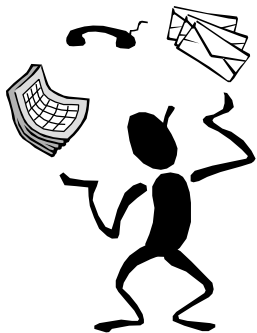
Positions offered by EG&G under Right of First Refusal: 180

DDBC: At the time of the announced tentative decision, January 7, 2000, there were 127 employees on board. Since then the following has occurred:

Number of employees accepting VERA/VSIP: 31

Number of employees accepting positions under PPP: 60

Positions offered by EG&G under Right of First Refusal: 37



Contractors vs Government, The Goal

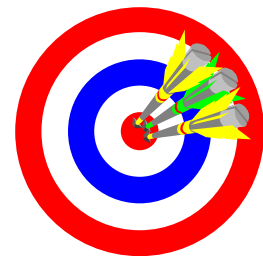
By Dave Harnish

The Goal: The main objective in business is to make money. There are other goals to be sure, but they can also be a method of contributing to the goal. The entrepreneurial spirit may also enhance living conditions of employees, provide support to the community, provide return to the shareholders and generate good corporate citizenship, but these can only be attained by meeting the goal, making money.

While the contractor is motivated by profit, the government entity may be motivated by other goals. Taking care of employees is paramount to many government supervisors. Providing employment has sometimes been the objective for government. Specific government programs to help the handicapped, veterans and former welfare beneficiaries are examples of societal objectives of government hiring. A government entity is less likely to terminate employees because of personnel processes that are cumbersome, the private contractor is able to terminate employees with less due process. His employees are likely to be more inspired and more amenable to setting and attaining production requirements. Multiskilling in business is commonplace. In government typically there has been one person skilled in one job. In government, all to often, when someone doesn't do much work, corrective action is difficult, usually involving the Union. The contractor can't afford employees that make no money. While we in government may imagine the contractor can hire and fire at will, it is more complicated than that, but less restrictive for the contractor than the government.

Many of the restrictions on government in the bidding process are a result of legislation developed to protect the federal employee. Pay, benefits, sick leave and vacation time, for example are more generous than a contractor is likely to offer. Government employee's time is calculated at 1,776 hours annually in the In House Cost Estimate. Contractor's time is estimated at 1,920 hours per year. The most recent Service Contract Act fringe benefit requirement for the state of Utah, for example is \$1.64. This compares with the federal employee fringe benefit of 32.85%. At an average of \$15.00 per hour the federal employee earns approximately \$5.00 in benefits per hour.

Contractors are more likely to use temporary employees, part time employees and multiskilled employees. Generally, the contractor has more flexibility to provide incentives, profit sharing and bonuses.



The Goal: The government's goal is decidedly different than the contractor goal. The government's goal is not dependent on making a profit. If our goal is to win A-76 Competitions we must accept some of the innovations of contractors. To become more competitive, we must multiskill when appropriate. We must use temporary employees and part-timers. If our goal is to win, we must find new and more productive ways to do our business. We need to think like a contractor just to survive.

The Five W's of A76

By Dave Hagler
and Carol Thiry

Who... does it affect? The Depot A-76 studies impact every employee at a depot under study. No one is protected from the process.

What... can I do to help me make the best decision for my career. A well-informed person is always better able to make a good logical decision for themselves and their families. Every affected employee needs to identify the possible outcomes of the competition and how that decision would impact them personally. You should then identify the different courses of action you could take depending on each potential outcome. Potential courses of action may include retiring or resigning to take advantage of the voluntary separation incentive pay, take your chances and wait for the final reduction-in-force notification, seek other federal employment, seek employment in private industry, go back to school to get training in an area you have always been interested in, and many other possibilities. These decisions are unique to the individual. You need to consider your own situation in making these decisions - age, family status, length of federal employment, and so on. The bottom line is that you need to face the fact very early in the A76 process that regardless of the outcome of the competition you must make a decision that will impact your career. The earlier you recognize this the more time you have to work through your possible options and make the decision that is right for you.

Where... can I get the information and whom should I seek to provide me with the information I need to help me with my decision? The DDC personnel office can provide you with a great deal of information on the reduction-in-force process and the priority placement program. The Human Resources Operations Center (HROC) can provide you information on potential retirement benefits, VSIP, and severance pay. You may also want to talk with the local Employment Development Office to identify job opportunities in your local area, check the internet periodically for federal job vacancies (internet addresses can be provided by the DDC personnel office), check into educational opportunities in your local area, and or watch local newspapers for opportunities in the private sector. These are only a few of the avenues you can use to start collecting information that will help you to make this difficult decision. Also remember, there are many other people going through the same thing you are. Talk with them, share your ideas, your feelings, and your concerns. The Employee Assistance Program is also available to help you through the family and emotional issues that are associated with making a major life decision.

When... do I need to act? Now...the sooner the better. There are going to be tasks to be done that will have timeframes that will affect you and if you haven't done some preplanning you may not be able to take advantage of the opportunities that are available.

Now, maybe you should ask yourself **Why?** Why haven't

I done the things that would benefit myself and my family? Where are you in the four W's of A76? Where should you be?

Your depot personnel representatives are:

Albany:
Nancy McMeans
717-770-7345

Cherry Point:
Willie Davis
717-770-6509

Hill:
Darlene Ferrante
717-770-5539

Jacksonville:
Willie Davis
717-770-6509

Richmond:
Tracy Joynt
717-770-8250

San Diego:
Nancy McMeans
717-770-7345

Federal employment web sites include:

<http://www.hroc.dla.mil>
<http://federaljobsearch.com/>
<http://www.usajobs.opm.gov>

Employee Assistance Program....

1-800-523-5668

ADMINISTRATIVE APPEALS

By Annie Meeks

The Office of Management and Budget (OMB) Circular A-76 and its Revised Supplemental Handbook recognize that during the conduct of an A-76 Cost Comparison, cost and other errors can be made. The Administrative Appeals Process (AAP) was established to allow correction of these errors in an administrative forum. The AAP provides the first and best opportunity for affected government employees, their representatives, and affected contractors to challenge the tentative outcome of the cost comparison between the public (Government) and private (contractor) proposals.

An Administrative Appeal Process Authority, appointed by the Director of DLA, is responsible for the review of eligible appeals and for rendering a final cost comparison decision. In order to be able to provide an independent and objective assessment of the appeals submitted, the AAP Authority must be independent of the activity being cost compared or at least two organizational levels above the official who certified the Government's Management Plan and Most Efficient Organization (MEO). For DDC A-76 cost comparisons, Mr. Gary Thurber has been appointed the AAP Authority.

As with most provisions, there are certain criteria that must be met in order for an appeal to be considered eligible for review under the AAP. First, an eligible appellant(s) must submit the appeal. An eligible appellant is either a Government civilian employee, whose work is being competed, or his representative (Union), or a contractor who has submitted a formal offer. Second,

the appeal must be submitted in writing to the contracting officer prior to the end of the Public Review Period. The Public Review Period begins after the tentative decision on the day when supporting documentation is made publicly available and normally ends within 20 calendar days. Supporting documentation includes the Management Plan, Technical Performance Plan, Transition Plan, Quality Control/Customer Satisfaction Plan, and the In-House Cost Estimate (IHCE) provided by the Government MEO team to the contracting officer prior to the closing of the solicitation. For the contractor, supporting documentation includes non-proprietary portions of the contractor's proposal submitted in response to the Solicitation. Third, an eligible appeal must demonstrate that the items appealed, individually or in aggregate, would reverse the tentative decision. Therefore, appealable items must have a cost impact associated with them.

Appealable items are limited to addressing the following issues: specific questions regarding line items on the cost comparison form (CCF) and the rationale for questioning the items; specific questions regarding compliance with the policies and procedures of OMB Circular A-76 and the Revised Supplemental Handbook; specific instances of Government denials of information not otherwise protected by law or regulation.

There are also certain items which are considered non-appealable: selection of one contractor over another for competition with the in-house cost estimate; award to one contractor in preference to another; Government management decisions involving the certified Most Efficient Organization; and the policies and

CAPO POCs

Twila Gonzales Program Manager	DSN 977-5149
John Yost Deputy	DSN 977-8206
Rose Snavelly Victor Fiedler PWS	DSN 977-6201 DSN 977-6933
Tracey Scheiblehut MEO/Communications	DSN 977-4921
Robyn Snyder Administration/Communications	DSN 977-6913
Donna Robinson Kim Coulson DDAG Team	DSN 977-8865 DSN 977-7133
Mike McCarthy Larry McClain DDCN Team	DSN 977-7287 DSN 977-6943
Dave Gambrell Saundra Deaver DDDC Team	DSN 977-7290 DSN 977-5345
Dave Harnish Bill Paver DDHU Team	DSN 977-5550 DSN 977-7299
Sue Hillegass Angela Clark DDJF Team	DSN 977-8278 DSN 977-7094
Carol Thiry Nancye Deem DDRV Team	DSN 977-2700 DSN 977-6977
Leroy McClain Mac Wertz Transition	DSN 977-4378 DSN 977-7187

Continued on Page 6

Administrative Appeals (cont.)

procedures in OMB Circular A-76 and the Revised Supplemental Handbook.

The first three DDC cost comparisons all had multiple appeals filed before the end of the Public Review Period. At DDCO, where the tentative decision identified an MEO operation as the most cost effective, the unsuccessful contractor filed an appeal, as did the Union that represented DDCO government employees. The AAP Authority denied the appeals and sustained the tentative decision for MEO operations. At both DDBC and DDWG, where the tentative decision identified a contractor operation as the most cost effective, appeals were filed by three eligible appellants: affected Government employees, the local Union, and the successful contractor. Although the AAP Authority sustained some of the individual appeal items in both the employee and the Union appeals, the changes were not great enough to overturn the tentative decision for a contract operation. The contractor's appeals were withdrawn since the original decision was upheld.

The decision of the Administrative Appeal Authority is considered final and may not be overruled by a higher authority, for example a commander or director. No further appeals or reviews shall be considered even if the AAP results in reversing the original tentative decision.

Although contractors can challenge the cost comparison decision through other avenues, such as a Government Accounting Office (GAO) bid protest or through a Court of Federal Claims (CFC) lawsuit; recent decisions from both GAO (for the DDWG Union bid protest) and the CFC (for the DDBC Union lawsuit) have indicated that neither Government employees nor their Union representatives have standing in these arenas.

HOTLINE CALLS.....

We've received several hotline calls asking about the date the next round of studies will be announced and begin. The depots that remain to be studied are:

Defense Distribution Depot
Anniston, AL - DDAA
Defense Distribution Depot Corpus
Christi, TX - DDCT
Defense Distribution Depot Norfolk,
VA - DDNV
Defense Distribution Depot
Oklahoma City, OK - DDOO
Defense Distribution Depot Puget
Sound, WA - DDPW
Defense Distribution Depot Red
River, TX - DDRT
Defense Distribution Depot
Tobyhanna, PA - DDTP

Given lessons learned to date and the proposed changes to the current schedule for Round 2, the DDC is currently considering a variety of approaches regarding schedules for the next round of A-76 studies. To date, no schedule has been proposed to headquarters.

Q. An article in the Federal Employees News Digest, Vol 49 Number 39, referring to the EG&G win at a Department of Defense depot in Georgia reads as follows: "EG&G must offer the employees a right of first refusal for all non-management positions created by award of the contract." Does the right of first refusal apply only to non-management positions?

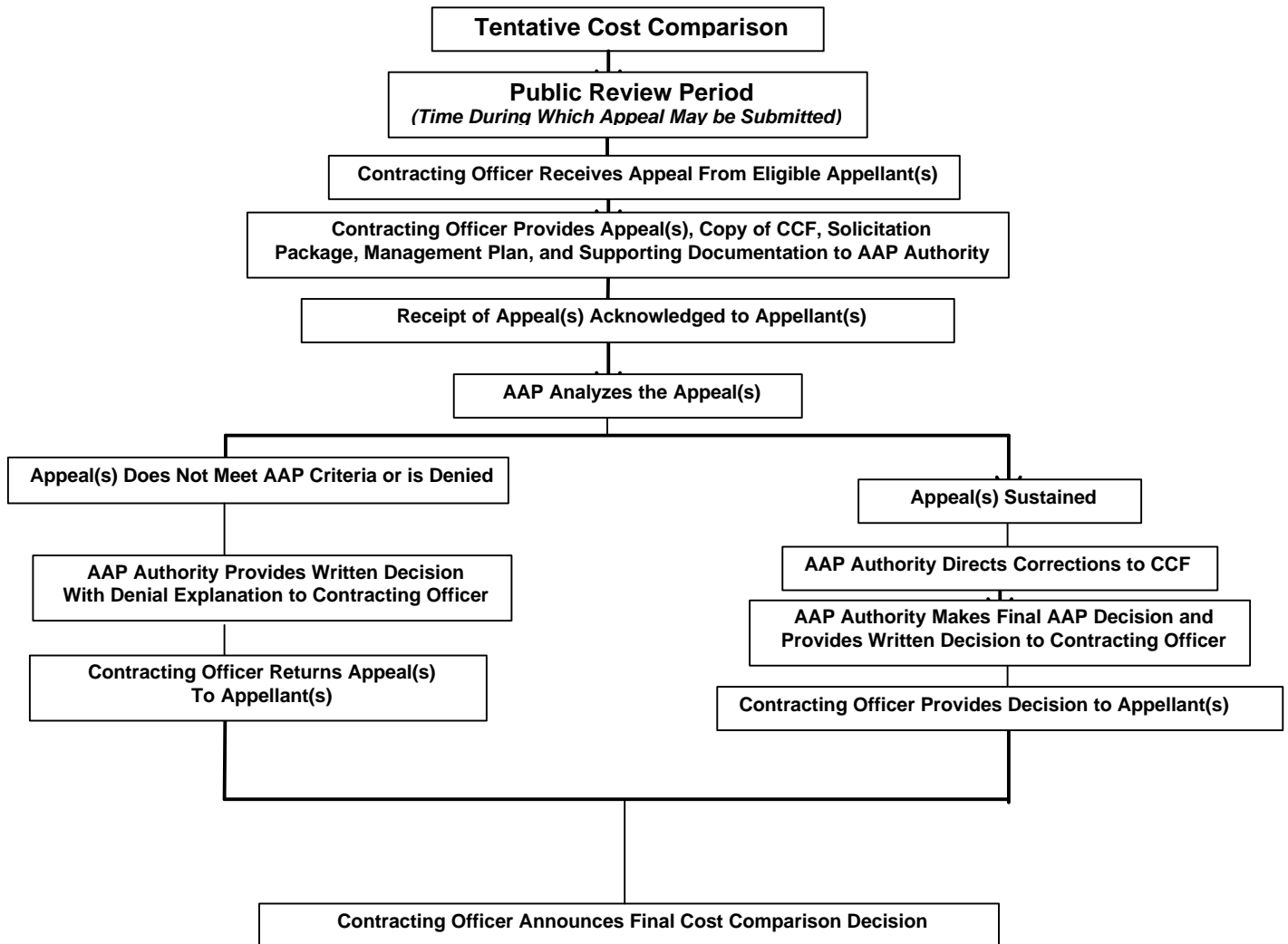
A. The concept of the Right-of-First-Refusal was first established by the 1979 A-76 Supplemental Handbook. This concept holds that, as a condition of contract award, the contractor in an A-76 decision to convert from in-house to contract performance shall provide adversely

affected Federal employees the "Right of First Refusal" for jobs created in the contractor's organization as a result of the award of the contract. "Affected employees" includes supervisors. If an employee is in a supervisory position within the government organization, he/she may or may not be offered a supervisory position with the incoming performing activity. There is no stipulation that mandates a contractor to offer supervisory positions to current federal supervisors.

Q. I understand that if an award were made to the contractor, the REO (Residual Effective Organization) would be the only government employees left at that site. How are the REO positions filled? Is it possible to obtain the required knowledge/training to help ensure your right to a position with the REO? Would obtaining COR (Contracting Officer's Representative) training give me an advantage?

A. The Residual Effective Organization is that group of people who remain behind when a contract has been awarded to a contractor. Some perform those functions that have been determined to be inherently governmental and some oversee the Performing Activity. They administer the contract and ensure that all functions are being performed according to provisions within the contract. REO positions are filled according to RIF (Reduction In Force) procedures. It is not possible for someone to take training to ensure him/herself a position with the REO. In addition, any employee desiring training should speak with their supervisor and contact their area's Training Coordinator to determine available training.

Overview of Administrative Appeal Process for the A-76 Cost Comparison Process



Note: After AAP Authority Makes Final Cost Comparison Decision No Subsequent Appeal(s) Are Allowed Even if Original Tentative Cost Comparison Decision is Overturned

THIS DIAGRAM IS AN OVERVIEW – IT IS NOT ALL-INCLUSIVE OF THE ADMINISTRATIVE APPEAL PROCESS

Success begins with the individual, questioning, challenging the paradigm.



CAN'T...

Versus

CAN DO!

We've never done it before
It's too complicated
We don't have the resources
It will never work
There's not enough time
We already tried it
There's no way it'll work
We don't have the expertise
It's good enough
It will never fly
We're understaffed
It's not going to get any better
It can't be done
Isn't it time to go home?
Let somebody else deal with it
It's too radical a change
It doesn't fit us
It's contrary to policy
It's not my job

We have the opportunity to be first
Let's look at it from a different angle
Necessity is the Mother of Invention
We'll give it a try
We'll reevaluate some priorities
We learned from the experience
We can make it work
Let's network with those who do
There's always room for improvement
We'll never know until we try
We're a lean, mean machine
We'll try it one more time
It'll be a challenge
Days go quickly around here
I'm ready to learn something new
Let's take a chance
We should look at it
Anything's possible
I'll be glad to take the responsibility

AND.....

..... ends with individuals working together

TWELVE “Ts” OF TEAMING

TRUST	Open communication at all levels
TARGET	Must be customer-driven
THRUST	Focused on goals and objectives
TEMPLATE	Benchmark against best practices
TEN	“Most Wanted” – “Quality “To Do” Lists
TIMING	Planning for team deployment
TRAINING	Providing tools for team empowerment
TECHNOLOGY	Use the best analytical “Tools”
TEST	Does it add value?
TRACKING	Measure progress and improvement
TIME	It takes lots of time and patience
TOUGH	It’s harder than it looks

